



United States Senate
**Committee on Small Business
and Entrepreneurship**

Olympia J. Snowe, Chair

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For Immediate Release
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Snowe Bill Provides Small Business Owners Regulatory Relief

U.S. Senator Olympia J. Snowe (R-Maine), Chair of the Senate Committee on Small Business and Entrepreneurship, today introduced the Regulatory Flexibility Reform Act of 2005, which would provide small business owners with relief from burdensome Federal regulations.

"Federal regulations are imposed on small business owners without regard to the size of their businesses and without regard for the unique circumstances of the industries they compete in," said Snowe. "My legislation recognizes that small businesses are affected disproportionately by Federal regulations."

"Federal agencies must consider the economic impact of their regulations whenever the impact on small businesses is foreseeable," Snowe stated. "Under current law, an agency does not have to examine the impact of its proposed regulations on small businesses even though the costs are obvious and foreseeable. My legislation will close this loophole in the law and help level the playing field for small business owners."

"By revising the Regulatory Flexibility Act to be more comprehensive and modern, small business owners will have a greater voice in the regulatory process. Thus, they will be able to effectively comply with the rules and regulations and focus on a more pressing objective: job creation," added Snowe.

The Regulatory Flexibility Reform Act would:

*** Include "indirect" economic effects under RFA analyses.** Regulations on a larger industry can eventually trickle down, ultimately and unintentionally impacting small businesses. This affects small businesses' viability and ability to compete in the marketplace. Indirect economic effects often bear a significant impact on a substantial number of small business owners, both in Maine and across the country.

*** Require agencies to respond to comments filed by the Chief Counsel of the Small Business Administration's Office of Advocacy.** This reform would ensure that Federal agencies give the proper deference to comments submitted by the Office of Advocacy, and hence, to the comments and concerns of small businesses.

*** Clarify the requirement that agencies conduct periodic review of existing rules that impact small business.** Agencies would review all 10-year-old rules annually. This reform eliminates the confusion over which rules to review and when to review them. Annual regulatory reviews would help eliminate the barriers to economic growth faced by small business owners.